

APPENDIX E

FISCAL YEAR 2004-2005 WORKFORCE PLAN

I. Agency Overview

The Texas Legislature passed the first Texas Pharmacy Act in 1907. This Act established the Texas State Board of Pharmacy as an independent state regulatory board. The first Board Members took the oath of office on August 27, 1907, and in September of 1908, the agency was represented for the first time at the annual meeting of the National Association of Boards of Pharmacy (NABP). The agency joined NABP that year and thus reciprocal privileges were established with other member state boards.

The policy-making body of the agency is a nine-member Board appointed by the Governor, with concurrence of the Senate, for overlapping six-year terms. Six members must have been registered pharmacists in Texas for five years immediately preceding appointment, be in good standing with the Board, and continue to actively practice pharmacy while serving. In addition, the Board must have representation for licensed pharmacists who are primarily employed in community and institutional pharmacies. Three members of the Board must be representatives of the general public (i.e., non-pharmacist, consumer representatives).

In terms of the coverage of regulation, the Board has the responsibility of regulating three distinct but interrelated and inseparable elements - the persons who dispense prescription drugs to the public (pharmacists) and who assist the pharmacist (pharmacy technicians); the place where prescription drugs are dispensed to the public (pharmacies); and the distribution of dangerous drugs (prescription drugs that are not classified as controlled substances). In addition, the Board has the sole responsibility for the administration and the enforcement of the Texas Pharmacy Act and Texas Dangerous Drug Act.

Pharmacy practice regulation is unique since it regulates individuals (pharmacists), facilities (pharmacies), and products (prescription drugs). Therefore, interaction and coordination between the divisions of the agency and their staff members are crucial and integral parts of the effectiveness of our efforts.

The agency licenses approximately 21,000 pharmacists and 5,600 pharmacies over a land area of approximately 270,000 square miles. Limited Compliance and Investigative staff are challenged in the regular monitoring of these licensees by travel distances. All geographic regions are served by the agency. The field staff of five Compliance Officers and five Investigators are assigned regions that encompass the entire state, including the Texas border regions. In addition, medically under-served areas present specific challenges for comprehensive inspection/investigative efforts. These areas are defined as locales where medical care and, specifically, pharmacy services may be inaccessible due to distance and lack of transportation, and lack of (or inadequate) insurance coverage. Such situations may occur in rural, sparsely populated areas of the state and, conversely, in some densely populated urban areas of Texas.

The Executive Director/Secretary serves as the executive officer of the agency, and as such is an ex-officio member of the Board. The Executive Director/Secretary is responsible for advising the Board on policy matters, implementing Board policy, and managing the agency on a day-to-day basis.

The agency operates under a modified system of Management-By-Objectives. Goals and objectives are reviewed and approved annually by the Board members. These objectives are directly tied to the agency's

Strategic Plan and “operationalize” the *Strategic Plan*. The Executive Director manages the staff to accomplish the adopted objectives.

Agency staff totals 48 positions, consisting of five management, 23 professionals, and 20 administrative support staff. Ten employees (five Compliance Officers and five Investigators) operate in field areas outside the main office and function under the supervision of their respective Division Directors. The TSBP is totally self-supporting in that revenue is secured primarily from statutory fees related to licensing, reciprocity, and examinations. The general operating fund of the Board is considered a general revenue fund-dedicated account within the State Treasury.

With regard to management structure, the following is an overview. An organizational chart of the agency can be found in the Strategic Plan, *Appendix B*.

DIVISION OF ADMINISTRATIVE SERVICES AND LICENSING

Administrative Services

This division is responsible for the administrative support for the agency. The goal is to provide this support quickly and efficiently. Administrative support is provided through the planning, directing, and coordinating of agency operations such as personnel, accounting, budgeting, purchasing, property management, and information technologies.

Licensing

The goal of the Licensing section is to conduct a pharmacy and pharmacist licensure system, initial licensure by examination, initial registration of pharmacy technicians, and the ongoing renewal of licenses and registrations.

DIVISION OF PROFESSIONAL SERVICES

This division provides information through publications, including the *Newsletter*, law references, and the *Texas Register*, and by providing professional services, including internship reviews, law exam development, task force support, and public speaking engagements to agency customers.

LEGAL DIVISION

This division prosecutes violations of the laws and rules related to the practice of pharmacy; provides adjudicative information to agency customers; and provides legal services and guidance to the board and the agency staff relating to the regulation of the practice of pharmacy and the administration of the agency.

DIVISION OF ENFORCEMENT

This division promotes voluntary compliance with pharmacy laws and rules; monitors compliance with pharmacy laws and rules; and enforces these laws and rules through inspections and investigations of pharmacists and pharmacies. This division monitors the complaint process and transfers complaints involving substantive allegations to the Board's Legal Division for review and potential prosecution. This division also monitors compliance with disciplinary orders and provides enforcement information and information regarding pharmacy laws and rules to agency customers.

A. Agency Mission

To promote, preserve, and protect the public health, safety, and welfare by fostering the provision of quality pharmaceutical care to the citizens of Texas, through the regulation of: the practice of pharmacy; the operation of pharmacies; and the distribution of prescription drugs in the public interest.

B. Strategic Goals and Objectives

GOAL 1	We will establish and implement reasonable standards for pharmacist and pharmacy technician education and practice, and for the operations of pharmacies to assure that safe and effective pharmaceutical care is delivered to the citizens of Texas [Texas Pharmacy Act (Occupations Code, Sec. 551-566, 568-569).
Objective	Through each year of the strategic plan, to operate a licensure system for pharmacists, pharmacy technicians, and pharmacies that will assure that 100% of pharmacists, 100% of pharmacy technicians, and 100% of pharmacies meet minimum licensing standards.
Strategy	Operate a timely, cost-effective application and renewal licensure system for pharmacies and pharmacists, and pharmacy technicians.
GOAL 2	We will assertively and swiftly enforce all laws relating to the practice of pharmacy to ensure that the public health and safety are protected from the following: incompetent pharmacists and pharmacy technicians; unprofessional conduct, fraud, and misrepresentation by licensees; and diversion of prescription drugs from pharmacies; and to promote positive patient outcomes through the following: reduction of medication errors by encouraging or requiring licensees to implement self-assessment programs and continuous quality improvement programs, including peer review processes; and enforcement of rules relating to patient counseling and drug regimen review, including prevention of misuse and abuse of prescription drugs. [Texas Pharmacy Act (Occupations Code, Sec. 555-569), and Health and Safety Code, Chapter 483, Dangerous Drugs].
Objective	In each year of the strategic plan: to deter and reduce the incidence of violations of the law through compliance inspections of 50% of the licensed pharmacies in Texas and through technical assistance to licensees; to educate and increase licensee access to information by contacting 100% of licensees; to resolve/close complaints received within 250 days of receipt.
Strategy 1	Emphasize preventive enforcement by conducting compliance inspections of pharmacies, promote voluntary compliance by providing information, education and technical assistance to licensees; and protect public health and safety by receiving, investigating, and resolving complaints, disciplining licensees, and monitoring compliance with disciplinary orders resulting from board adjudication.
Strategy 2	Operate a Peer Assistance Program by monitoring the growth, development, and compliance of a program to aid pharmacists and eligible pharmacy students impaired by chemical abuse or mental or physical illness, and monitor the success of individuals in the program.

C. Anticipated Changes in Strategies

The Texas State Board of Pharmacy (TSBP) has identified several agency initiatives that are contained in the Strategic Plan, some of which may significantly impact the agency's business and workforce. A sample of these initiatives are listed below (see the TSBP Strategic Plan for a complete listing, found under each *Policy Issue*).

- Develop a compliance inspection process based on the concept of outcome-based regulation.
- Be an active participant with other healthcare providers, legislators, and regulators in establishing initiatives regarding protecting a patient's confidential healthcare information.
- Monitor the progress of the profession in establishing continuous quality improvement programs and the effect these programs have on reducing medication errors.
- Actively participate with other healthcare providers, legislators, and regulators in establishing initiatives to advance the safe and appropriate use of technology in pharmacy practice.
- Educate pharmacists, pharmacy owners, and other interested parties concerning:
 - the legal use of technology in pharmacy practice; and
 - patient confidentiality.
- Establish minimum standards for pharmacy technician training programs.
- Promote organizational change to meet the challenges of regulating the profession with limited resources.
- Advocate key quality enforcement and consumer protection reforms at the state and national level.
- Participate in national and state-level pilot projects within the Board's areas of expertise.

Other anticipated changes that are of a more immediate nature are the following:

- Pharmacy Technician Registration: During the 76th Legislative Session, S.B. 730 was passed, which required TSBP to begin registering pharmacy technicians effective September 1, 2001. However, the funding for the program was not appropriated until the 78th Legislative Session, for FY2004/FY2005. The agency adopted rules to begin the pharmacy technician registration process, and the registration process has begun, with an anticipated 27,000 certified technicians to be registered.

Currently, the agency licenses approximately 21,000 pharmacists and 5,700 pharmacies. The additional 27,000 pharmacy technicians will have a dramatic effect on the agency's operations, since it would almost double the number of licensees in one year, bringing the total of all licensees to approximately 54,000.

- Technological Advances: Various initiatives related to technology issues have the ability to significantly impact the agency. These technology issues include:
 - C e-commerce initiatives including electronic application process;
 - C consolidation of information resources services;
 - C web development; and
 - C increased computer systems security.
- Salary Compensation Issues: The Texas Pharmacy Act requires that the Board of Pharmacy hire a pharmacist to serve as Executive Director of the agency. Currently, the Executive Director's salary is set at \$70,000. Recent market data indicates that in the southern region of the United States, which includes Arkansas, Louisiana, Oklahoma, and Texas, the average base salary for a pharmacist is \$84,268. The State Classification System suggests a salary range for a Pharmacist III at \$50,952 - \$82,140. Thus, the Executive Director of the Board of Pharmacy could make a higher salary if she were to resign her position and take a pharmacist staff position with the agency.

The pharmacist positions that are within the Board of Pharmacy are a part of the succession planning for the Executive Director position. With this in mind, how will the Board of Pharmacy be able to hire an Executive Director, if a pharmacist must take a cut in pay to become Executive Director?

II. Current Workforce Profile (Supply Analysis)

A. Critical Workforce Skills

There are several critical skills and knowledge areas that are important to the agency's ability to operate. Without these skills and knowledge areas, the TSBP could not provide basic business functions. They are as follows:

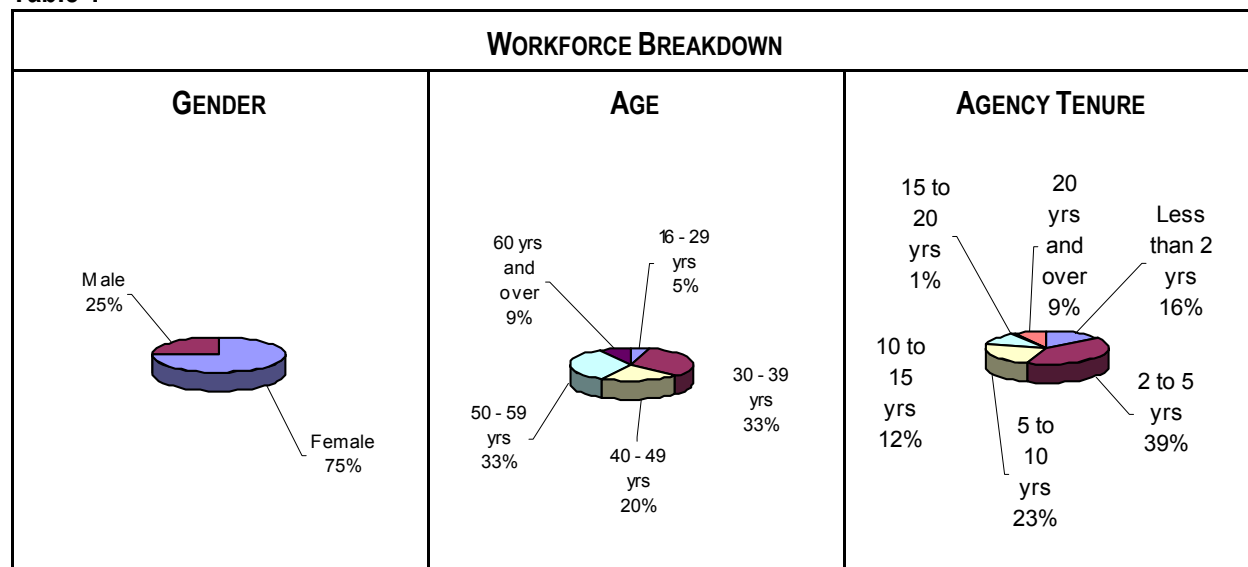
- extensive knowledge of healthcare systems and the practice of pharmacy and drug distribution, including legal and regulatory requirements;
- extensive knowledge of state administrative rules and regulations, including the management of human resources, budgetary, and appropriations process;
- extensive knowledge of information resource systems, including web-based applications;
- thorough knowledge of the Texas Administrative Procedures Act, rules of evidence, and other administrative and criminal laws and procedures;
- thorough knowledge of investigative procedures; and
- strong interpersonal skills and customer service.

Additionally, a license to practice pharmacy by the TSBP is a critical requirement for many of the agency's positions, including the Executive Director/Secretary.

B. Workforce Demographics

The following **Table 1** profiles the agency's workforce as of August 31, 2003. The TSBP workforce is comprised of 25% males and 75% females. Sixty-two percent of our employees are over the age of 40 and 55% of employees have less than five years agency service. These percentages are high enough to warrant strong training programs to ensure our employees are able to assume key positions in the event of unexpected turnover.

Table 1



The growth in Texas' minority populations may have significant ramifications for the agency's workforce, specifically in the pharmacist (Compliance/Enforcement Officer) category. Attempts to recruit qualified minority pharmacists have been difficult due to the significant differences in salaries compared to private sector employment, and to the pool of licensed pharmacists who are minorities. **Table 2** shows a comparison of race distribution among the overall Texas civilian labor force, the Texas pharmacist population, and the agency non-manager pharmacist positions for FY2003.

Table 2

Race	Texas Population Race Distribution	Texas Pharmacists Population Race Distribution	TSBP-Non Manager Pharmacists Population Race Distribution
Anglo	52%	66%	75%
Hispanic	33%	9%	12.5%
Black	12%	11%	12.5%
Other	3%	14%	0%

The agency's overall workforce profile, as shown in **Table 3**, indicates that the agency needs to increase its efforts to recruit and retain qualified minority applicants at all levels of job categories.

Table 3

Total Agency Employees	WHITE		BLACK		HISPANIC		OTHER		TOTAL		
	M	F	M	F	M	F	M	F	M	F	Tot
ADMINISTRATORS	1	4	0	0	0	0	0	0	1	4	5
PROFESSIONALS	7	8	0	1	1	2	0	0	8	11	19
PARA-PROFESSIONALS	3	10	0	2	0	5	0	0	3	17	20
ADMIN SUPPORT	0	1	0	0	0	1	0	0	0	2	2
TOTALS	11	23	0	3	1	8	0	0	12	34	46

**Data reflects actual staff as of 8/31/03. Unfilled positions are not reflected.*

C. Employee Turnover

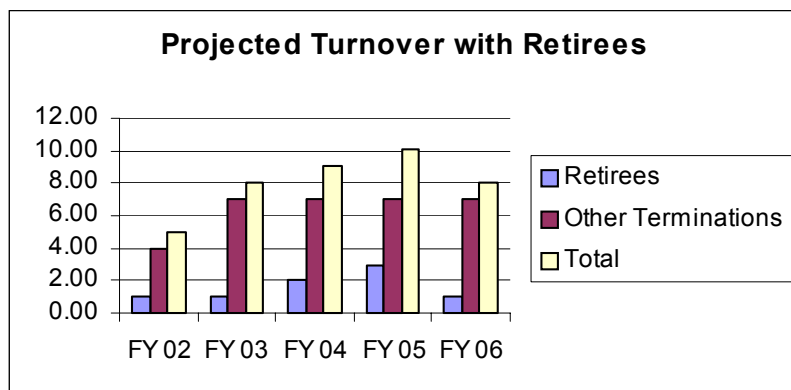
Agency employee turnover had decreased from 25% in FY2000 to 11.2% in FY2002, but increased again to 18.7% in FY2003. The pharmacist turnover rate for FY2001 was an alarming 53.33% and 48% for FY2003. Even more dramatic are the number of pharmacist service years that have been lost - in FY2001, a total of 32 1/5 years of experience, with one pharmacist taking nearly 26 years of agency experience with him. In FY2003, a total of 52 pharmacist service years were lost. This loss of pharmacist staff is especially disturbing since the pharmacist staff are a part of the succession for the Executive Director position because the Executive Director is statutorily required to be a pharmacist.

The reason for the high turnover rate can be directly attributed to retirement, salary dissatisfaction, increased workload as a result of legislative initiatives, and lack of any intrinsic rewards. Employees are continually asked to do more with less.

D. Retirement Eligibility

Retirement accounted for 37% of separations in the last two years, resulting in a combined loss of 35 years of institutional knowledge and expertise with the TSBP. Retirement will continue to be a key reason for leaving the agency within the next five years in that eleven (11) additional staff members will be eligible for retirement during this time frame. These eleven (11) staff members include three (3) Administrators and eight (8) Professional staff members, and represent a potential combined loss of 160 years of institutional knowledge and expertise with the TSBP. The net result from FY2002 - FY2008, could be a 20% loss of the total TSBP workforce due to retirement, and a combined loss of 195 years of experience.

III. Future Workforce Profile (Demand Analysis)



TSBP has a two-pronged approach to enforcement. One approach is based upon “prevention,” because TSBP believes that 95-98% of its licensees will obey the laws and rules governing the practice of pharmacy, if the licensees are well-informed. A review of prior reports of TSBP performance measure *Percent of Licensees with No Recent Violations* proves that preventive enforcement is working well. The preventive program includes: (1) compliance inspections (of pharmacies); (2) publication of *TSBP Newsletter*, which contains information about new laws and rules; Q&A (most frequently asked questions); Disciplinary Orders (names of licensees and brief description of allegation and sanction); and helpful articles relating to practicing pharmacy in compliance with pharmacy laws/rules; and (3) technical assistance (available by telephone, email, and via website, live presentations, and professional exhibits). In FY2003, TSBP met its performance measure relating to the number of inspections conducted (approximately 2,500 inspections per year). However, TSBP would prefer to inspect pharmacies more often than it does now (which is approximately every two to three years), because a longer period of time between inspections generally results in a greater number of pharmacies being in non-compliance with the Texas Pharmacy Act and Texas Drug Laws. Currently, TSBP licenses approximately 5,700 pharmacies and employs five Compliance Officers to inspect these pharmacies. If TSBP is to continue its preventive enforcement efforts through routine, unannounced inspections, additional field Compliance staff must be obtained.

TSBP’s other approach to enforcement is through investigation of complaints, and, if substantive evidence is obtained, the institution of disciplinary action against the applicable person. However, TSBP has limited resources to investigate complaints in a timely manner. Although TSBP was able to decrease the average complaint resolution time during the past two fiscal years, the complaint backlog continues to have an effect on timeliness.

The number of complaints that were received by TSBP have increased 26% from FY1999 to FY2003, due to the following four factors:

- (1) as of FY2000, TSBP began to receive Professional Liability Claim Forms (malpractice reports);
- (2) ability for complainants to file online complaints. TSBP experienced a significant increase in the number of complaints received via the TSBP website in FY2003 as compared to FY2002.

Specifically, TSBP received 214 complaints via the Internet in FY2002 as compared to FY2003, when TSBP received 318 complaints via the Internet (49% increase).

- (3) beginning in FY2004, TSBP began to register pharmacy technicians; and
- (4) TSBP is opening an increased number of complaints due to non-compliance with disciplinary orders.

The impact of the malpractice reports is beginning to be felt by the agency. In FY2001, the agency received 55 malpractice reports and in FY2002-2003, the agency received 470 reports. This increase has a “domino effect” (e.g., more claims mean more investigations, more disciplinary actions, and more monitoring of compliance with disciplinary orders). The registering of pharmacy technicians is going to have a dramatic effect on enforcement services. This change will double the agency’s licensee population, which will, more likely than not, double the workload on the agency’s Investigators (to investigate complaints involving technicians), as well as double the workload on the agency’s attorneys (to adjudicate/discipline technicians). Accordingly, for TSBP to be able to swiftly investigate and adjudicate licensees, additional Investigators will be needed.

TSBP believes that its two-pronged approach to enforcement is cost-effective. However, to ensure that the public health and safety are not compromised, TSBP needs adequate human resources to enforce the laws and rules governing the practice of pharmacy.

IV. GAP ANALYSIS

After analyzing the workforce information, TSBP has determined that there are two main gaps between the agency’s workforce supply and demand that must be addressed.

- Key positions in management are not being targeted for succession planning although three of the five management staff have been identified as eligible for retirement within the next five years.
- The TSBP cannot attract and retain qualified pharmacists due to the significant differences in salaries compared to private sector employment.

V. STRATEGY DEVELOPMENT

<i>GAP</i>	<i>LACK OF SUCCESSION PLANNING FOR KEY MANAGEMENT STAFF</i>
Goal	Develop a competent, well-trained workforce.
Rationale	The training and development of current employees is critical to the success of the agency. TSBP must analyze existing staff to determine which employees demonstrate the potential or interest to develop new competencies and assume new or modified positions. In addition, TSBP needs to prioritize critical competencies and decide if there is enough time to develop staff internally for anticipated vacancies. Or is there a need for specialized, aggressive recruiting as the best approach?
Action Steps	<ul style="list-style-type: none"> ■ Expand training programs to include programs such as effective leadership and contemporary management training skills, effective project management, and assessing and managing risks by January 1, 2005. ■ Conduct an assessment of the level of risk facing the agency regarding the potential loss of knowledge particularly in areas where loss is likely due to the imminent loss of key employees.

<i>GAP</i>	<i>TSBP CANNOT ATTRACT AND RETAIN QUALIFIED PHARMACISTS</i>
Goal	Become an employer of choice.
Rationale	If the agency is to recruit and retain qualified pharmacists, TSBP must take affirmative actions with the legislature to increase these salaries to a competitive level. TSBP may also want to re-examine its organizational structure and requirements to see if other job classifications could meet the needs of these positions.
Action Steps	<ul style="list-style-type: none"> ■ Utilize pay incentives to attract and retain staff. ■ Adjust salaries within assigned pay ranges for employees in positions that are either critical functions or have high turnover rates. ■ Create programs that allow employees who are seeking new challenges to work on special projects, rotations, and/or developmental assignments.